

Old Age, Disability, Death

First laws: 1949 (old age) and 1957 (disability and survivors).

Current laws: 1964 and 1983 (agricultural workers).

Type of program: Social insurance system.

Exchange rate: U.S.\$1.00 equals 35,300 liras.

Coverage

Employees in industry, commerce, and service sector. Coverage is optional for aliens who work for a foreign employer.

Special systems cover public employees, the self-employed, farmers, agricultural workers, and bank, insurance company, and stock exchange employees.

Source of Funds

Insured person: 9% of earnings; self-employed, 20%.

Employer: 11% of payroll (13% for arduous employment).

Government: None.

Maximum earnings for contribution and benefit purposes: 7,581,000 liras a month. Minimum, 1,295,000 liras a month.

Qualifying Conditions

Old-age pension:

- 1 Standard eligibility for persons first covered from 1/1/90 on: age 60 (men) and 55 (women) with
 - A 15 years of coverage and 3,600 days of contributions, or
 - B 5,000 days.
- 2 Standard eligibility for persons first covered before 1/1/90 (see 3-5 for special periods): same as 1, except age 55 (men) and 50 (women).
- 3 For persons first covered before 1/10/76: age 46 (men) and 41 (women) with 5,000 days, and 25 years (men) and 20 years (women).
- 4 For persons first covered from 1/11/76-1/10/81: same as 3, except age 48 (men) and 43 (women).
- 5 For persons first covered from 1/11/81-1/10/86: same as 3, except age 50 (men) and 45 (women).

Disability pension: Loss of 2/3 of working capacity (60% for occupational injury or disease). Must have been entitled to old-age pension, or had 5 years of coverage with an average contribution of 180 days per year, or 1,800 days of contribution.

Survivor pension: Deceased met contribution requirements for disability pension or was pensioner at death.

Old-Age Benefits

Old-age pension: For persons with 5,000 days of contributions, 60% of average indexed earnings during last 5 years (earnings averaged over working lifetime for persons first covered from 1/1/90 on). All retirees also receive monthly flat-rate *social support* supplement of 715,000 liras.

Reduced pension: Full pension reduced by 1% for each period of 240 contribution days less than 5,000. Increment of 1% of pension for each year of deferral beyond normal retirement age, or for each

period of 240 days of contribution in excess of 5,000, up to maximum 85% of average earnings.

Minimum pension: 1,563,448 liras a month (1993). Maximum, 3,343,000 liras a month (1993).

Refund of contributions: Employee and employer contributions, if ineligible for pension.

Means-tested pension for disabled 65 and over if ineligible for old-age pension.

Adjustment: Pensions adjusted every 6 months according to change in prices and wages.

Permanent Disability Benefits

Disability pension: Same formula as old-age pension, except 70% of average indexed earnings.

Social support supplement payable, as in retirement cases; amount is proportional to degree of disability.

Constant-attendance supplement: Pension increased to 80%.

Minimum pension: 4,056,528 liras a month; maximum: 8,456,700 liras a month. Minimum pension if insured needs constant care: 4,186,032 liras a month.

Adjustment: Pensions adjusted every 6 months according to changes in prices and wages, depending on financial conditions.

Survivor Benefits

Survivor pension: If no dependent children, widow receives 75% of pension paid or accrued to insured person; 50% of pension if there are dependent children.

Payable to widow of any age. Also payable to dependent disabled widower.

Orphans: 25% of pension of insured (50% if full orphan) for each orphan under age 18 (25 if student in higher education, 20 if in secondary education, no limit if unmarried daughter or disabled).

Minimum pension: 3,875,222 liras a month for 1 survivor; 3,965,875 for 2 survivors.

Parents: If other pensions below maximum, parents can receive the difference.

Maximum survivor pensions: 100% of pension of insured.

Refund of contributions: Employee and employer contributions, if ineligible for pension. 50% to widow, or 75% if no child entitlement; 25% to each child.

Funeral grant: 501,600 liras.

Administrative Organization

Ministry of Labor and Social Security, general supervision.

Social Insurance Institution, administration of program; managed by tripartite governing body and director-general.

Sickness and Maternity

First laws: 1945 (maternity) and 1950 (sickness).

Current law: 1964.

Type of program: Social insurance system. Cash and medical benefits.

Coverage

Employees in industry, commerce, and service sector.

Pensioners and dependents also covered for medical benefits.
Special systems for public employees and agricultural workers.

Source of Funds

Insured person: 5% of earnings (apprentices, 2%).

Employer: 6% of payroll (2% for apprentices). Maternity, 1% of payroll.

Government: None.

Maximum and minimum earnings for contribution and benefit purposes: Same as old-age, disability and death.

Qualifying Conditions

Cash sickness benefits: 120 days of contribution during last 12 months.

Cash maternity and medical benefits: For medical benefits, person must be currently covered or a pensioner. For medical care for dependents, 120 days of contribution during last 12 months. For maternity care, 90 days of contribution (wife) or 120 days (husband) during last 12 months.

Sickness and Maternity Benefits

Sickness benefit: Inpatient: 50% of earnings; outpatient: 66 2/3% of earnings. Payable after 2-day waiting period, usually for up to 6 months; sometimes up to 18 months. No waiting period for pensioners.

Maternity benefit: 66-2/3% of earnings, payable for up to 6 weeks before and 6 weeks after confinement.

Nursing grant: Lump sum of 100,000 liras for each child of insured.

Workers' Medical Benefits

Medical benefits: Medical services ordinarily provided directly to patients through facilities of Social Insurance Institution. Insured person shares 20% (10% for pensioners) of cost of outpatient medicines, except if long-term treatment. Includes general and specialist care, hospitalization, laboratory services, medicines, maternity care, appliances, and transportation.

Dependent's Medical Benefits

Medical benefits for dependents: Same as for insured person.

Administrative Organization

Ministry of Labor and Social Security, general supervision.
Social Insurance Institution, administration of program through its branch offices. Institution operates own dispensaries, hospitals, sanatoria, and pharmacies and contracts with private suppliers of services in localities where it has no facilities.

Work Injury

(There is no separate worker's compensation system. Work accident and disease are separately provided for, but benefits are paid under the general system.)

First law: 1945.

Current law: 1964.

Type of program: Social insurance system.

Coverage

Employees in industry, commerce, and service sector. Applicants for apprenticeships, apprentices, and students in technical schools (paid by Government). Exclusions: Domestic employees.
Special systems for public employees and agricultural workers.

Source of Funds

Insured person: None.

Employer: 1.5% to 7% of payroll, according to risk. Average rate: 2.5% of payroll.

Government: None.

Maximum earnings for contribution and benefit purposes: Same as for Old Age, Disability, Death, above.

Qualifying Conditions

Work-injury benefits: No minimum qualifying period.

Temporary Disability Benefits

Temporary disability benefit: 50% of earnings; if hospitalized, 33-1/3% of earnings.

Payable from first day of incapacity. No limit on duration.

Permanent Disability Benefits

Permanent disability pension: 70% of average earnings, multiplied by percentage of disability.

Constant-attendance supplement: 50% of pension.

Partial disability: Percent of full pension proportionate to degree of disability, if more than 10% disabled. May be converted to lump sum if degree of disability less than 25%.

Workers' Medical Benefits

Medical benefits: Medical treatment and surgery, hospitalization, medicines, appliances, and transportation. No limit on duration.

Survivor Benefits

Survivor pension: Payable under regular survivor program.

Administrative Organization

Ministry of Labor and Social Security, general supervision.

Social Insurance Institution, administration of program through its branch offices and health facilities.

Unemployment

(Labor code requires employer to pay dismissal indemnity of 30 days' wages per year of service.)

Coverage

Employees in industry, commerce, and service sector.

Administrative Organization

Ministry of Labor and Social Security, Manpower Employment Organization.

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